



ENGLISH | 中文

[HOME](#)[ABOUT US](#)[OUR WORK](#)[REPORTS](#)[MEDIA CENTER](#)[GET INVOLVED](#)[RESOURCES](#)

Response Letter To Mattel: CLW's investigation of four factories making Mattel toys

Friday, May 3, 2013

To :

Kathleen A. Shaver, Director of Corporate Responsibility - Mattel
333 Continental Boulevard
El Segundo, CA 90245-5012
Kathleen.shaver@mattel.com

Cc :

Bryan Stockton
Mattel Inc. CEO
bryan.stockton@mattel.com
Lisa Klein, Senior Vice President of Corporate Responsibility - Mattel
lisa.klein@mattel.com
Robert Normile, Executive Vice
President, Chief Legal Officer and Secretary - Mattel
robert.normile@mattel.com

Dear Ms. Shaver,

At the end of January 2013, China Labor Watch (CLW) received your letter in response to our 2012 investigation of labor issues in four Mattel supplier factories. We appreciate that Mattel read the report and investigated some allegations. This letter is being sent as a direct response to the points raised in your letter.

We and our partners are all familiar with Mattel's GMP, and our efforts to report labor violations in your supplier factories is, in part, an effort to encourage Mattel to comply with the tenets of its own GMP. In your letter, you stated that our report relied on a small number of informal investigations outside the factory. But you have seemed to misread the explanation of methodology included in CLW's report. Page five of the report states: "In all factories except [Shenzhen Wei Lee Fung], investigators entered the factories as workers for a period of days or weeks to get a firsthand account of labor treatment at the given factory." Our investigators wrote the reports based on dozens of interviews with workers inside the factories and dormitories supplemented by the investigators' own experience in the factories. For example, the following violations were experienced by our investigators themselves:

"The investigator did not receive any training with regard to the occupational environment, health, and safety on his first day of work. Nor was he provided with any safety or protection equipment—i.e, hat, mask." (Dong Yao Toys)

"The factory focuses on efficiency more than on labor safety. The workers in charge of cleaning products with toxic chemical thinner are not allowed to wear gloves. I once was in the spraying position in the factory. The paint would stain my hand and was hard to wash off, so I tried to wear gloves. But wearing gloves while working is bad for production work because it increases the amount of oil stains on the products. Because of this, the supervisor required me to take off the gloves, saying 'after you wear the gloves, the product rejection rate is increased. This is not good. Our factory values efficiency most. You have to take it off. Look, no one else is wearing.'" (Nanhai Mattel)

We encourage Mattel to take another look at the report and examine the true nature of the violations uncovered by our in-depth investigations.

You explained in your letter that Winty Industries no longer produces for Mattel, but this is aside from the point. Our investigator found Barbie dolls in the production facility. We trust that Mattel understands the prevalence of unauthorized subcontracting in China. It is a common phenomenon for a contractor to give a portion or all of its order to a third party to be completed and shipped back to the contractor before final shipment to the client. Whether or not Mattel has ended its business relationship with Winty, instead of denying the allegations, Mattel should have actively followed up on our findings and investigated Winty to ensure that it was not involved in unauthorized subcontracting.

In the second paragraph of your letter, you highlight that Mattel's own factories as well as its supplier factories are all subject the ICP. But you did not address the first section of our report ("Empty Promises: Mattel's CSR"), which clearly demonstrated that despite a 15-year old GMP and two auditing systems, Mattel's labor conditions in China have actually worsened. For almost a decade, SICCA

carried out Mattel's CSR audits. After raising time and again the severity of violations in Mattel suppliers, SICCA actually expressed frustration with Mattel's lack of action:

"Having undertaken three formal audits during the course of three years, when the normal schedule is one formal audit every three years, SICCA feels that any recommendations for corrective action would be unlikely to yield meaningful changes without specific commitments from Mattel and the company's insistence that the plant must implement these recommendations."

In your letter, no explanation was provided for why SICCA's reports went unanswered and why SICCA stopped carrying out Mattel audits. You also failed to explain why individual factory reports have become less and less robust under ICP, to the point where now the most detailed information on individual factory audits is a 2011 half-page chart. The 2012 Global Citizenship Report that you mentioned does not provide detailed information on any particular factories. Furthermore, "Class A" factories (vendors) are considered those that control working hours at under 66 hours per week, which translates into 26 hours of overtime per week. This is equivalent to over 100 hours of overtime per month, where in China workers should not be made to work more than 36 hours per month. That Mattel's "Class A" vendors are instituting overtime hours three times in excess of the legal limit is a telling symbol of the state of Mattel's CSR system.

Instead of half-page charts, Mattel should, in a timely manner, provide the full audit reports of all factories on its website. It should also provide detailed information on what Mattel is doing to follow-up and correct violations in factories.

Our 2012 report provided evidence of forced overtime in factories producing Mattel products. In your response, you said that ICP and Mattel audits showed that overtime is voluntary. You expressed, for example, that workers in interviews said that they could decline overtime in writing or verbally at Nanhai Mattel. However, this is just factory policy. It does not reflect the way in which the policy is actually implemented. Supervisors will often deny workers' requests for overtime or will tell a worker that if they do not do overtime once, then they will never be offered overtime opportunities in the future.

In any case, it is not difficult to conclude that the information gained via audits is unreliable. Factory management will often tell workers not to reveal any problems to auditors; otherwise, they say, the factory will lose business and the workers will lose their jobs. Audits are notorious for being inaccurate due to management tactics to hide problems or auditor bribery. In a recent investigation of a Samsung factory, CLW discovered fraudulent working hour records that were given to auditors. Indeed, CLW has discovered auditing fraud in past Mattel factory investigations.

Mattel's reply to our findings on excessive overtime was that DDYT was operating under a local waiver. First, we would like to see a copy of the waiver given to DDYT that allowed it to have its workers do up 210 hours of overtime per month, over five times the legal limit. Second, how about the other factories in the report? Nanhai Mattel surpassed 100 monthly overtime hours. Winty's monthly overtime was over 120 hours. Wei Lee Fung's overtime also surpassed 100 hours. Did these three factories all obtain waivers before instituting such working hours?

More importantly, Mattel claims that it is a leader in CSR. If so, then we would expect to see Mattel take the necessary steps to truly curb excessive overtime. Factories institute such long working hours because the price given to them by brand companies or other clients is too low and the production window too narrow. Mattel should increase the price for production orders and require a significant increase in workers' base monthly wages (well above the local minimum wages). Additionally, Mattel should amend just-in-time production to allow for factories to maintain lower overtime hours. By instituting such reform, Mattel would lead the entire Chinese manufacturing industry in improving labor conditions on an unprecedented scale. Only when it does this can Mattel legitimately claim to be a leader in sourcing "ethically".

Mattel and ICP audits confirmed some of CLW's findings. This, along with the overtime hour problems above, seems to conflict with Mattel's earlier argument that CLW's allegations are "unfounded". In any case, we are glad that Mattel did some follow up and would like to see the audit reports.

As for those problems for which Mattel or ICP audits did not find evidence—e.g., temporary workers or student workers and the availability of PPE for workers—we want to reiterate that Mattel's findings were gained via an auditing mechanism that has been shown to be unreliable. When factory management knows about an approaching audit, they will ensure that everything is in line with brand requirements for the period of the audit. For example, PPE was available and student workers were not found on the day of the audit. But when the auditors left, PPE requirements may have become lax once again and the student and dispatch workers are called back into the production facilities. Indeed, if your auditors discovered safety issues during the audit, imagine how many safety issues there are when no one is monitoring.

Finally, you mentioned in your letter that ICTI's hotline serves as a grievance channel for workers. Though we encourage such programs, an effective hotline requires that specific problems, when exposed, are quickly and effectively solved. But Mattel has not yet shown its desire to admit to the existence of problems, much less solve them. CLW has provided a list of violations that we discovered in our investigations, but rather than work to get to the bottom of the issues and correct violations, Mattel denied the existence of many of the problems.

We would like to reiterate our requests:

1. Mattel should reply to all points and answer all questions raised in the above text.
2. Mattel should provide detailed information on follow-up audits to CLW's investigations.
3. Going forward, all complete audit reports and corresponding corrective action plans should be published in a timely manner on Mattel's website.
4. Mattel should provide updates to CLW as to how it is handling the violations uncovered in CLW's report and in Mattel/ICP's follow-up

audits.

5. Mattel should provide to CLW the overtime waivers provided to DDYT.

6. Rather than denying the existence of problems, Mattel should do everything in its power to correct them.

CLW and its partners welcome Mattel's communication on these and other issues. We look forward to updates on the above issues and will continue to monitor Mattel's factories and vendors for labor violations.

Sincerely,

Li Qiang, Fanny Gallois
Executive Director, Decent Work Officer
China Labor Watch (USA/China), Peuples Solidaires (France)
liqiangnyc@gmail.com, f.gallois@peuples-solidaires.org

Elfriede Schachner, Pierre Coutaz
Director International, Department Coordinator
Südwind Agentur (Austria), Confédération Générale du Travail (CGT, France)
christina.schroeder@suedwind.at, p.coutaz@cgt.fr

China Labor Watch | 147 W 35 St, Ste 406, NYC, NY 10001
+1-212-244-4049 | clw@chinalaborwatch.org
Powered by CuteSoft.net.